



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
OFFICE OF THE STATE BUDGET  
LANSING

MARY A. LANNOYE  
DIRECTOR

November 12, 2004

**MEMORANDUM**

TO: Directors of Departments and Autonomous Agencies

FROM: Mary A. Lannoye  
State Budget Director *MAJ*

SUBJECT: Executive Directive 2004-9 – Acquiring Contractual Personal Services

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Executive Directive 2004-9 describes the basic policy within the Executive branch regarding restrictions on acquiring contractual personal services.

This memorandum rescinds, without replacement, my April 21, 2003 communication on this topic. State Budget Office approval is no longer required for personal service contracts or contracts involving the purchase of supplies, materials, equipment, printing, or other products. In addition, State Budget Office approval is no longer needed for public relations, lobbying, promotion or marketing contracts. Department directors are responsible for insuring compliance for the provisions in Executive Directive 2004-9 and for taking steps to reduce costs and curtail all discretionary spending.

If you have any questions concerning this memorandum, please contact Nancy W. Duncan, Deputy State Budget Director at (517) 373-0870.

cc: Rick Wiener, Chief of Staff  
Lisa Webb Sharpe, Director of Public Policy  
David Fink, State Employer  
Nancy W. Duncan, Deputy State Budget Director  
Agency Budget Directors  
Agency Human Resource Directors  
Internal State Budget Office Distribution



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**MEMORANDUM**

TO: Directors of Departments and Autonomous Agencies

FROM: Mary A. Lannoye  
State Budget Director *MAL*

SUBJECT: Executive Directive 2004-9 – Instructions for Creating New Positions  
and Filling New or Vacant Positions

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Executive Directive 2004-9 continues through September 30, 2005, the basic policy within the Executive branch regarding restrictions on creating new positions and hiring of state employees.

This memorandum supersedes and replaces my April 4, 2003 communication on this topic and outlines procedures necessary to obtain approval from the State Budget Director when required under the provisions of Executive Directive 2004-9.

**Creating New Positions**

**Policy:** State departments and agencies are prohibited from creating any new classified positions above the classification level 12, unless the State Budget Director grants a written exception.

**Guidelines:** This prohibition applies to all classified positions whether full-time or less than full-time, and whether permanent or temporary in nature, regardless of funding source.

This prohibition applies whether the position will be filled from within the department or agency, or from outside the agency.

Reallocation of an existing position to a new classification level is allowed and does not require State Budget Office approval.

This policy does not apply to conversion of a limited-term position to permanent status, nor conversion of a part-time position to full-time.

**Procedures:** State departments and agency heads should submit requests to create any new classified position in memorandum form, addressed to the State Budget Director, with a copy to the State Employer.

The request should contain the following information:

1. Narrative and organization charts as defined in Executive Directive 2004-9, Section 1.C., including whether the position is mandated by state or federal law.
2. A brief statement explaining how creation of the new position will produce more efficient and timely performance by the agency, eliminate unnecessary functions, increase the ability of the state to receive and expend federal funds, or that failure to create the position will render the agency unable to deliver basic services, or result in the loss of revenue to the state.
3. A statement indicating whether or not the establishment of the position requires any adjustments to the agency budget or to the active employee base number established for the department or agency by the State Budget Director.
4. An indication of whether the position will be filled internally or from the outside agency. If outside recruitment is desired, a DMB100a form must also be submitted.

### **Filling New or Vacant Classified Positions**

**Policy:** State departments and agencies are prohibited from hiring any new classified civil service employees and prohibited from filling any vacant classified positions above the classification level 12, unless the State Budget Director grants a written exception.

**Guideline:** This prohibition applies to all classified positions whether full-time or less than full-time, and whether permanent or temporary in nature, regardless of funding source.

This policy does not apply to internal transfers of state classified civil service employees or unclassified employees from one position to another within a department, internal promotions, recalls from any seasonal layoffs, or returns from a leave of absence other than return from a waived rights leave.

For positions at classification level 12 or below, the department director or autonomous agency director (or his/her designee) must certify to certain information **AND** ensure that the active employee base number established for the department or agency is not exceeded. This agency certification will be done quarterly.

**Procedures:** A common form located at <http://www.michigan.gov/budget> will be used for the purpose of requesting hiring freeze exceptions for positions above classification level 12. The request for Hiring Freeze Exception form is included as Attachment A. The agency director, or his/her designee, must submit the form to the State Budget Office prior to outside recruitment.

For all outside hires, including those at classification level 12 or below, quarterly reporting of new hires to the State Budget Office will be used to certify compliance with Executive Directive 2004-9. Quarterly reports must be submitted in accord with instructions in Attachment B, including the signature of the department director or designee certifying to the accuracy of the information in the report.

I appreciate your cooperation in implementing this directive. If you have any questions concerning this memorandum, please contact Nancy W. Duncan, Deputy State Budget Director at (517) 373-0870.

Attachments:

- 1) Hiring Freeze Exception Form DMB 100a (<http://www.michigan.gov/budget>)
- 2) October 23, 2002 memo regarding Hiring Freeze Reporting
- 3) Executive Directive 2004-9

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